



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

## THE RETURN OF PROSPERITY

---

By Hon. O. P. AUSTIN,

Chief, Bureau of Statistics, Department of Commerce and Labor,  
Washington, D. C.

---

No careful student of present conditions in the United States as related to production, manufacture, transportation and internal and foreign trade can fail to recognize a marked improvement in conditions to-day when compared with those of a year ago. Indeed the improvement made in all branches of popular activities is so great that there seems every reason to accept these conditions as an evidence of a return of prosperity and of entrance upon a long period of activity, industrial, financial, and commercial.

In the manufacturing and mechanical industries, which occupy the attention of over seven million wage earners, the evidences of returning prosperity are uniformly convincing. The United States measures its output of manufactures at quinquennial periods only, and it is therefore impossible to state in positive terms the actual growth from year to year. Fortunately, however, it is possible to measure activities in the manufacturing industries at much shorter intervals. One reliable method of measurement is through a comparison of the quantity of materials imported at various periods for use in manufacturing. While much of the raw material of the factory is supplied by local production, the proportion drawn from abroad is so great and has so necessary a relation to the activities and product of the factory that a measurement of imported manufacturing materials may be relied upon as affording a true indication of existing conditions in the manufacturing industries. Practically all of the silk, india rubber, hemp, jute, and tin used in our domestic industries is brought from abroad. For a large part of their wool, cotton, hides and skins, copper, wood, chemicals, and, to a less extent, their iron and steel, local manufacturers must look to foreign countries. Of all these articles the Bureau of Statistics of the Department of Commerce and Labor makes a monthly record of importations, from which it is possible to form an intelligent estimate of conditions in the industries in which those articles are a

necessary factor of daily use. Selecting the first eight months of the current year and comparing conditions in that period with those of the corresponding months of 1907, a period of unprecedented prosperity, and of 1908, a period of industrial depression perhaps unequaled in the history of the country, the figures of importations of raw materials show many evidences of a return to good times, numerous articles showing records equal to, or exceeding, the high levels reached in 1907. Imports of pig copper, for example, which fell from 142 million pounds in the first eight months of 1907, to 89 millions in the same period of 1908, rose to 152 millions in the corresponding months of the present year. Fibers, which showed a total importation of 488 million pounds in the eight months ending with August, 1907, fell to 434 millions in the same period of 1908, but more than recovered the lost ground in 1909, showing for the eight months a total importation of 563 million pounds. Other representative articles of consumption in our domestic industries whose imports show large increases during the past eight months when compared with the corresponding period of 1907, include hides and skins, india rubber, lead in ore and base bullion, raw silk, wool, sulphur ore, ammonia sulphate, palm oil, logs, and wood pulp; while raw cotton, tin, lumber, and gums, though still a little below the levels established in 1907, are making substantial progress in recovery.

The table on page 127, compiled from official figures of the Bureau of Statistics of the Department of Commerce, shows more in detail the upward trend of importations of manufacturers' materials from the low records made in 1908.

A study of the following table seems to justify the conclusion that the manufacturing industries are not only more prosperous at present than at the corresponding date in 1908, the year of depression, but fully as active as in 1907 when those industries were enjoying a degree of prosperity such as the country had never before known. Other evidences of activity in the manufacturing industries are seen in the large shipments of iron ore from the great iron mines of Michigan and Minnesota by way of the Great Lakes, which for the five months of lake navigation ending with August, 1909, are estimated at 22 million tons, compared with 12 millions in the corresponding period of 1907; and in the production of pig iron, which amounted to  $15\frac{1}{4}$  million tons in the

eight months ending with August, 1909, against  $9\frac{1}{3}$  millions in the same months of 1908 and  $17\frac{3}{4}$  millions in the corresponding period of 1907.

IMPORTS OF PRINCIPAL ARTICLES USED IN MANUFACTURING IN THE EIGHT MONTHS ENDING WITH AUGUST 31, 1907, 1908, AND 1909.

Articles.	1907. Millions of pounds.	1908. Millions of pounds.	1909. Millions of pounds.
Copper ore .....	42.7	28.4	53.0
Copper pigs, etc. ....	141.6	88.6	152.0
Raw cotton .....	97.5	56.3	67.4
Fibers .....	488.2	433.5	563.3
Hides and skins .....	266.4	196.9	356.3
India rubber .....	50.5	45.6	57.4
Lead in ore .....	84.0	140.3	147.3
Raw silk .....	9.6	10.2	14.3
Tin in bars, pigs, etc. ....	64.3	52.5	63.7
Leaf tobacco .....	25.2	24.5	28.9
Lumber <sup>1</sup> .....	539.4	397.9	534.5
Raw wool .....	150.4	89.2	229.8
Sulphur ore .....	939.9	1,041.5	1,006.6
Wood pulp .....	368.7	271.4	440.1
Logs and round timber .....	80.5	78.4	113.8
Sulphate of ammonia .....	38.3	31.9	50.6
Argols .....	21.8	14.1	21.4
Muriate of potash .....	114.0	91.1	177.3
Gums .....	56.8	43.9	59.1

In agriculture, the largest of our domestic industries, measured by the number of inhabitants engaged therein, the outlook is especially bright. This industry occupies the activities of  $10\frac{1}{3}$  million people, as compared with 7 millions in manufacturing,  $4\frac{3}{4}$  millions in trade and transportation,  $5\frac{1}{2}$  millions in domestic service, and  $1\frac{1}{4}$  millions in professional service. It is therefore fortunate that in this, our largest domestic industry, conditions remained fairly prosperous even during the period of industrial depression which characterized the larger portion of 1908, and that now when general conditions are improving, prospects for large and generous crops are bright, thus giving assurance of a solid foundation to an era of great prosperity. The estimates of the Department of Agriculture place the average condition of spring

<sup>1</sup>Lumber is stated in million feet.

wheat when harvested at 88.6 per cent on September 1, 1909, as compared with 77.6 per cent in 1908, 77.1 per cent in 1907, and an average of 76.9 per cent during the past decade. The oat crop is estimated at 80.5 per cent, compared with a ten-year average of 76.9 per cent; and the corn crop, 74.6 per cent, compared with 80.6 per cent for the past ten years, though the higher prices at which corn is being marketed this year make it probable that the net return to the farmers will closely approximate that of earlier years. Cotton conditions were also somewhat less favorable on September 1, 1909, than heretofore, being on that date 63.7 per cent, compared with an average of 71.6 per cent for the past ten years.

Transportation is so closely associated with, and dependent upon agriculture and manufacturing as to reflect with a fair degree of accuracy conditions in those important factors of national prosperity. In this industry, too, the outlook is encouraging. Railroads are reporting increased earnings and greater activity generally. The number of cars handled by the car service associations was, for the eight months ending with August, 1909, 20 millions, or but a half million below the figures of the prosperous year 1907, and three millions more than those of last year, for corresponding periods. The number of idle cars on September 1, 1909, was reported at but 119,474, against 221,214 on September 1, 1908, and 339,513 on January 1, 1909. Bradstreet's, a reliable authority, states in a recent issue that gross earnings on about 95 per cent of the country's total railway mileage was in July of the present year twelve per cent greater than in July of last year, and that net earnings in July, 1909, were 14.6 per cent greater than those of July of the preceding year.

That financial conditions have improved is not surprising in view of conditions in agriculture, manufactures and transportation. For the 104 principal cities for which figures are reported, the bank clearings during the eight months' period ending with August are given at  $93\frac{1}{2}$  billion dollars in 1909, against 80 billions in 1908 and 100 billions in 1907. For the city of New York the bank clearings during the period under review are stated at 65 billions in 1909, compared with 47 billions in 1908, and 62 billions in 1907. For the single month of August, the bank clearings of the 104 cities reporting were  $13\frac{1}{3}$  billion dollars,

against 10 billions in August, 1908, and 11½ billions in August, 1907; those of New York alone amounted to 8½ billion dollars in August of this year, compared with 6¼ billions in the same month of 1908, and less than 7 billions in August, 1907. The failures reported by "Dun's Review," an accepted authority, shows liabilities in the eight months ending with August, 1909, of 45 million dollars, against 79 millions in the corresponding period of 1908, and 52 millions in the same months of 1907. Individual deposits in national banks on September 1, 1909, were reported at \$1,988,000,000, against \$1,808,000,000 on September 23, 1908. The money in circulation September 1, 1909, was \$3,096,000,000, against \$3,077,000,000 on September 1, 1908.

Foreign commerce shows distinct signs of improvement but has not yet reached the proportions shown in the fiscal year 1907, just before the period of depression. The activity in manufacturing, the prosperity of the great agricultural community, and the general employment in all branches of domestic activities make the home market good and domestic trade active. Internal commerce is now greater perhaps than ever before, and foodstuffs, cattle and other farm animals command unusually high prices. It is largely because of these conditions, coupled with the steady drift of population away from the farm and to the cities and the consequent diminution of surplus food products that the export trade has declined. For the eight months ending with August, 1909, domestic exports were valued at but 989 million dollars, against 1,075 millions in the same months of 1908, and 1,176 millions in the corresponding period of 1907. This falling off in exports occurred chiefly in foodstuffs, in raw cotton, and in manufactures of iron and steel. The decrease in exports of foodstuffs was due, in part, to the increase in home demand, in part to the fact that certain foreign countries, especially Argentina and British Australia, are increasing their supplies of meat and wheat for the world's markets and thus reducing to some extent the demand upon the United States; and, in part, to the high prices offered by our own domestic market, thus discouraging the exportation of these articles. Whether the export trade will improve will depend also, in part, upon conditions abroad. Much of the falling off in our exports in the last two years was due to decrease in imports the world over, and with the resumption of prosperous

conditions abroad our exports may be reasonably expected to increase.

Imports show less change when compared with the immediately preceding years. For the eight months ending with September, 1909, the total imports aggregated 948 million dollars, compared with 700 millions in the corresponding months of 1908, and 1,002 millions in the same period of 1907. The increase over 1908 represents chiefly enlarged importations of materials for use in manufacturing, though smaller gains are also shown in other classes.

Thus in practically all the great factors of national prosperity—agriculture, manufactures, finance, and commerce—conditions are such as to give reasonable assurance that existing prosperity will not only continue, but increase. The demands for iron and steel, for railway cars and other equipment, for construction and manufacturing materials, all point to greater activity in the industries, in transportation and in manufacturing. The completion of the recent tariff will aid in the improvement, not so much by reason of any radical changes in actual rates of duty imposed as because of the fact that the manufacturing, transportation and other industries, which had delayed activities pending possible changes, will now be able more accurately to forecast future conditions than was the case last year.